



COUNTY OF LOS ANGELES  
**Public Health**

**JONATHAN E. FIELDING, M.D., M.P.H.**  
Director and Health Officer

**JONATHAN E. FREEDMAN**  
Chief Deputy Director

**Substance Abuse Prevention and Control**

**JOHN VIERNES, JR.**  
Director  
1000 South Fremont Avenue  
Building A-9 East, Third Floor  
Alhambra, CA 91803  
TEL (626) 299-4193 • FAX (626) 458-7637

[www.publichealth.lacounty.gov](http://www.publichealth.lacounty.gov)



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August 30, 2011

TO: Each Health Deputy

FROM: John Viernes, Jr., Director *John Viernes, Jr.*  
Substance Abuse Prevention and Control

SUBJECT: **COMPLAINT AGAINST BERNIE'S LIL WOMEN**

This is to inform you that the Department of Public Health Substance Abuse Prevention and Control (SAPC) received an anonymous telephone complaint against Bernie's Lil Women on June 24, 2011. The complaint alleged that the agency is billing for services that were not provided, accepting residents who do not have an alcohol or drug problem, not providing transportation as needed, and allowing program participants to have their partners sleep over. Bernie's Lil Women is located at 11905 South Central Avenue, Los Angeles, California 90059, in the Second Supervisorial District and provides Outpatient Drug Free, Perinatal Day Care Habilitative and Residential Habilitative Perinatal to those eligible for Drug/Medi-Cal (DMC) services.

SAPC conducted investigations on July 7, 19, and 20, 2011. All allegations were substantiated, and a copy of the report is attached. In reviewing the agency's personnel files, staff also found that none of the counselors were certified and there was no evidence of a background checks through the Department of Justice and the Federal Bureau of Investigation for staff directly working with youth. These are serious findings that endanger persons served by the agency. Because of the seriousness of the findings, the agency was given a short deadline to submit a Corrective Action Plan and correct the deficiencies. The agency was also advised that it has until September 19, 2011 to submit any monies owed to SAPC's Financial Division. The agency was told that if findings contained in the report are not corrected in the timeframe specified, SAPC will initiate termination of its DMC contract. SAPC will also conduct an unannounced site visit within two weeks after the Corrective Action Plan is submitted to ensure corrections have been implemented.

Each Health Deputy  
August 30, 2011  
Page 2

If you have any questions or need additional information, please let me know.

JV:tw  
11-26129

Attachment

c: Jonathan E. Fielding  
Jonathan E. Freedman  
Sheila Shima  
Richard Mason  
Tami Omoto-Frias  
Maxanne Hatch  
Patricia Gibson  
Stephanie Anaya-Sernett



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**MAILED**  
8-18-11



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August 19, 2011

Bernadine Goudeau, Executive Director  
Bernie's Lil Women Center  
11905 South Central Avenue  
Los Angeles, California 90059

Dear Ms. Goudeau:

This is to provide you with an Investigative Report for the following site visits. It is also to advise you that unless the findings contained in this report are immediately corrected, Substance Abuse Prevention and Control will initiate termination of your contract. Please note a Corrective Action Plan is due within two weeks, by September 1, 2011. In addition, within two weeks of receipt of your CAP, an unannounced, follow up will be conducted.

Fiscal Year:	2011/2012
Site Visit Dates:	July 7, 19, and 20, 2011
Contract Number(s):	PH000454 A, B, C, D, and E
Modalities:	Drug/Medi-Cal: Outpatient Drug Free Services, Day Care Habilitative Services, Perinatal Outpatient Drug Free, Perinatal Day Care Habilitative and Residential Habilitative Perinatal
Agency Staff:	Ms. Bernadine Goudeau, Executive Director and Sheila Goudeau, Program Director

The enclosed report summarizes the findings, requirements, and recommendations resulting from this investigative site visit.

-CONFIDENTIAL-

Bernadine Goudeau, Executive Director

August 19, 2011

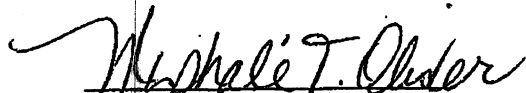
Page 2

**CONFIDENTIAL**

Please submit corrective billings to Robert Lucero, Financial Services Division, along with all monies due, by September 19, 2011.

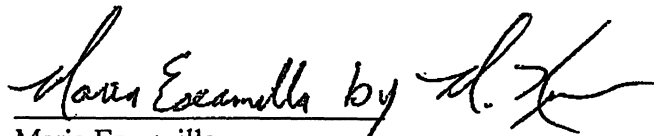
Please thank your staff for their assistance and cooperation rendered during this investigation. If you have any questions or need additional information, please contact Michael Kerr, Senior Contract Program Auditor, at (626) 299-4129 or e-mail at [mkerr@ph.lacounty.gov](mailto:mkerr@ph.lacounty.gov).

Sincerely,



Myshal'e T. Oliver

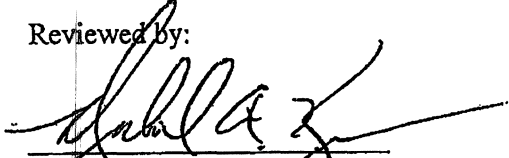
Contract Program Auditor



Maria Escamilla

Contract Program Auditor

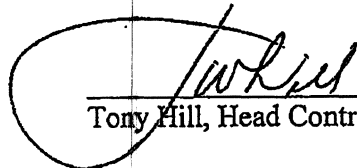
Reviewed by:



Michael A. Kerr, M.A.

Senior Contract Program Auditor

Approved by:



Tony Hill, Head Contract Program Auditor

MTO:mto

ME:me

11-25618

Enclosure

c: John Viernes, Jr.  
Leo Busa  
Robert Lucero  
Gary Izumi  
Tony Hill  
Andrea Hurtado  
Michael Kerr  
Myshal'e T. Oliver  
Maria Escamilla

**COUNTY OF LOS ANGELES - DEPARTMENT OF PUBLIC HEALTH SERVICES  
SUBSTANCE ABUSE PREVENTION AND CONTROL**

**INVESTIGATION REPORT**

**BACKGROUND**

The County of Los Angeles Substance Abuse Prevention and Control (SAPC) received an anonymous complaint against Bernie's Lil Women Center (BLWC). The complaint alleged BLWC of the following:

1. Billing for services that were not provided.
2. Residents of the residential facility did not have any alcohol and/or drug history.
3. Were not providing transportation to participants as needed.
4. Two of the participants were allowing their partners to sleep over.

**METHODOLOGY**

The investigation consisted of the following:

1. Site visits conducted on July 7, 19-20, 2011, by Myshal'e T. Oliver, Contract Program Auditor, and Maria Escamilla, Contract Program Auditor, at the following locations:
  - a. 10905 South Central Avenue  
Los Angeles, California 90059
  - b. 1115 East Alondra Boulevard  
Compton, California 90221
2. Face to face interviews with the following people:
  - a. Bernie Goudeau, Executive Director
  - b. CC and SR - Clients
3. Phone interviews with the following people:
  - a. Marquita Jones, Community Health Outreach Worker for The Children's Collective Black Infant Health Program.
  - b. TA, KH, and KH - Clients
4. Review of treatment files for three Outpatient Drug Free (ODF), Day Care Habilitative (DCH), PerinatalODF, Perinatal DCH, and Residential Habilitative Perinatal (RHP) clients:
  - a. Reviewed billing for May and June 2011
  - b. Progress notes for May and June 2011
  - c. Treatment plans

5. Review of active personnel files:
  - a. Bernadine Goudeau - Executive Director
  - b. Candace Goudeau - Outreach/Counselor
  - c. Edgar Goudeau - Counselor/Security
  - d. Sheila Goudeau - Program Director/Counselor
  - e. Denise Hayes - Counselor
  - f. Dr. Oliver - Medical Director
  - g. Mary Price - Counselor
6. Review of agency documentation:
  - a. Group sign-in sheets for May and June 2011
  - b. Agency timesheets for May and June 2011
  - c. Prior audit report for Fiscal Year 2010-2011
7. Auditor, Maria Escamilla, attended and observed one group session.
8. Exit conference with Bernadine Goudeau, Executive Director and Sheila Goudeau, Program Director, on July 20, 2011.

*Please note that some of the findings listed under this section are subject to recoupment from the State, as outlined in Title 22, Section 51341.1 (m) (1) through (7).*

**ALLEGATION 1: SUBSTANTIATED – Billing for services that were not provided.**

The Auditors were able to substantiate this complaint by interviewing one current client, and two former clients via telephone. The client contact information was obtained from the client charts given to the auditors by BLWC staff. According to all three clients interviewed, they have never attended any individual counseling or group sessions.

The auditors reviewed the client charts and there were progress notes for the billing months of May and June. However, upon visiting the residential site where services were supposed to be provided, there were no client sign-in sheets or daily logs with original client signatures. There was a hand written daily log that was signed by the counselor Debra Hayes. The auditors were unable to make copies of the hand written daily log at the residential facility because a copy machine wasn't available.

During the initial unannounced site visit, on July 7, 2011, the auditors informed Ms. Bernadine Goudeau, Executive Director, that they wanted to conduct a site visit and client interview at the residential facility. Ms. Goudeau informed the auditors that K.H. was unavailable because her social worker had taken her to court regarding a legal matter. However, while verifying K.H.'s contact information in the chart, the auditor called the client's mother's phone number at 1:04 p.m. After the auditor identified herself, and began to inquire about the client, the mother said the auditor could speak directly to the client because she was visiting her children for the day.

The auditor asked the client about being escorted to court with her social worker, and the client said she did not have a social worker and had not been to court that day. The client said she didn't have any legal issues. The client said that on this day she planned to visit her children at her mother's home and was given a ride by Edgar Goudeau. The client expressed that she thought it was strange that she was offered a ride to her mother's home because the agency does not provide transportation to the residents.

While the auditor conversed with the client, the auditor asked the client if she has a substance abuse problem. The client said she's never had a substance abuse problem and the reason why she is living at BLWC is because she was homeless and pregnant.

1. **Requirement:** In accordance with your Additional Provisions, Paragraph 49 (C), entitled, Contractor Responsibility and Debarment, which states, "County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity."

**Finding:** The clients' progress notes were falsified, therefore, not eligible for billing. This practice results in monetary disallowance for all units of services provided for three client charts reviewed and clients' interviewed for the months of May and June 2011.

**Corrective Action:** Contractor shall submit a corrected billing form to SAPC's Financial Services Division, attention, Mr. Robert Lucero, for the thirty-six (36) group counseling sessions billed @ \$50.35 for a total of \$1812.96 and for the three (3) individual counseling sessions billed @ \$86.99 for a total of \$260.97, totaling \$2,073.93.

**ALLEGATION 2: SUBSTANTIATED - Residents of the residential facility did not have any alcohol and/or drug history.**

The Auditors were able to substantiate this complaint by interviewing one current client, and two former clients via telephone. According to all three clients interviewed, they have never had a substance abuse problem. All clients interviewed stated their main reason for living at BLWC was due to their homelessness and pregnancy and that they did not participate in group counseling sessions for substance abuse disorders.

1. **Requirement:** In accordance with Title 22 State Drug Medi-Cal Regulations, Section 51341.1 (h) (1) (D), entitled, DRUG MEDI-CAL SUBSTANCE ABUSE SERVICES, which states, "Provider shall establish medical necessity consistent with Title 22,

Section 51303. The medical necessity shall be established by the physician upon admission to treatment of each beneficiary and; Provider shall identify the applicable Diagnostic and Statistical Manual of Mental Disorders Third Edition-Revised or Fourth Edition Diagnostic code and document the applicable code(s) in the client's files."

**Finding:** During individual interviews with the three clients, it was verified that none of the clients had any type of substance abuse problem or any previous history of substance abuse.

**Corrective Action:** Disallowance for this finding already noted in Allegation One.

**ALLEGATION 3: SUBSTANTIATED - Contractor was not providing transportation to participants as required by the Contract.**

The Auditors were able to substantiate this complaint by interviewing one current client, and two former clients via telephone. In addition to the client interviews, the Executive Director also confirmed that transportation services were not provided. She further stated that clients were responsible for arranging their own transportation.

1. **Requirement:** In accordance with Exhibit A of your RHP Services Agreement, Paragraph 9 (EE), entitled, SPECIFIC SERVICES TO BE PROVIDED, which states, "All Provision of, or arrangements for, transportation to and from treatment, primary medical care, and ancillary services for women (or lack thereof) who do not have their own transportation shall be documented in client chart."

**Finding:** During individual interviews with the three clients, it was verified that none of the clients received transportation from BLWC to medical appointments, grocery store, or job/apartment hunting.

**Corrective Action:** Contractor, according to contract requirement listed above, should have been transporting clients to supportive services as needed.

**ALLEGATION 4: SUBSTANTIATED - Two of the participants were allowing their partners to sleep over.**

The Auditors were able to substantiate this complaint by interviewing one current client, and two former clients via telephone. In addition to the client interviews, the Executive Director also confirmed that two of the former residents were allowing their partners to sleep over and that is one of the reasons two of the women no longer reside at BLWC.



## **OTHER PROGRAM FINDINGS**

*Please note that some of the findings listed under this section are subject to recoupment from the State, as outlined in Title 22, Section 51341.1 (m) (1) through (7).*

## **PERSONNEL REVIEW**

The following deficiencies were cited:

1. **Requirement:** In accordance with the Title 9 Division 4, Chapter 8, Subchapter 2, Section 13010, California Code of Regulations, which states, "by April 1, 2010, at least thirty percent (30%) of staff providing counseling services in all AOD Programs Licensed and/or Certified by ADP shall be licensed or certified pursuant to the requirements of this Chapter."

**Finding:** Contractor does not have any certified counselors on staff.

**Corrective Action:** Contractor must have 30 percent of the counseling staff certified, therefore, the above finding must be rectified immediately.

2. **Requirement:** In accordance with the Additional Provisions of your Alcohol and Drug Services Agreement, Paragraph 4, entitled, SPECIAL STAFF REQUIREMENT FOR YOUTH, which states, "If services for youth are provided hereunder, employees and volunteers working directly with youth shall pass a thorough background check, including criminal background." "....Contractor shall maintain documentation in the individual's personnel files that these requirements have been met."

**Finding:** The personnel files of Sheila Goudeau, Edgar Goudeau, and Bernadine Goudeau did not contain evidence of a background check from the DOJ/FBI. Candace Goudeau and Mary Price did not contain evidence of a background check from the FBI, only from the DOJ.

**Corrective Action:** Contractor shall ensure that all staff working directly with youth undergo a thorough background check. Documentation of such clearances shall be maintained in personnel files. All staff listed in the above finding shall cease working directly with youth until a clearance from the DOJ and FBI has been obtained and fax/sent to SAPC. Failure to complete the contractually required background checks with the DOJ and FBI will result in the monetary disallowance of service units provided.

## **BILLING VERIFICATION**

### **A. Contract: PH000454 A – RHP**

Charts AT02101092, HD2110488, HK2110489, and KK2030877 were reviewed for the month of May and June 2011.

The findings and subsequent disallowances are noted in Allegation One.

### **B. Contract: PH000454 B – ODF**

Charts BT02030299, LM01121093, and SC02051781 were reviewed for the month of May and June 2011.

The following deficiencies were noted:

1. **Requirement:** In accordance with Exhibit B of your Outpatient Drug Services Agreement, Paragraph 5, entitled, REIMBURSEMENT, which states, "A "group session" is a ninety (90) minute counseling session for a minimum of four (4) to a maximum of ten (10) individuals."

**Finding:** On May 4, 2011, client SC02051781 was billed for a ninety minute group session. However, the progress notes revealed the client was excused from the group early.

**Corrective Action:** Contractor shall submit a corrected billing form to SAPC's Financial Services Division, attention, Mr. Robert Lucero, for one group counseling session totaling \$25.82.

2. **Requirement:** In accordance with Title 22 Regulations, Drug Medi-Cal, Section 51341.1 (h) (3) (A), which states, "...the counselor shall record a progress note for each Beneficiary participating in an individual or group counseling session."

**Finding:** On May 5, 2011, client SC02051781 was billed for an individual session. However, the progress note stated the client participated in a group session.

**Corrective Action:** Contractor shall submit a corrected billing form to SAPC's Financial Services Division, attention, Mr. Robert Lucero, for one individual counseling session totaling \$60.78.

### **C. Contract: PH000454 C – DCH**

Charts BK01112997, GV01021996, and MI01010496 were reviewed for the month of May and June 2011.

The following deficiency was noted:

**Requirement:** In accordance with Exhibit C of your Outpatient Drug Services Agreement, Paragraph 9 (P), entitled, SERVICES TO BE PROVIDED, which states, "Contractor shall maintain group counseling sign-in sheets, which contain the following information: the date, start and ending time, topic discussed, certified location, printed and signed names of participants and signature of the staff conducting the session. Sign-in sheets shall contain each client's original signature."

**Finding:** Contractor failed to provide groups counseling sign-in sheets for June 27 and June 29, 2011, therefore, unable to verify group attendance for all three clients.

**Corrective Action:** Contractor shall submit a corrected billing form to SAPC's Financial Services Division, attention, Mr. Robert Lucero, for three group sessions @ \$57.47 totaling \$172.41.

**D. Contract: PH000454 D – PODF**

Charts AK02101393, CC02071494, and JN02010395 were reviewed for the month of May and June 2011.

The following deficiencies were noted:

1. **Requirement:** In accordance with Title 22 Regulations, Drug Medi-Cal, Section 51341.1 (h) (3) (A), which states, "...the counselor shall record a progress note for each Beneficiary participating in an individual or group counseling session."

**Finding:** On May 10, 2011, client AK02101393 was billed for an individual session, However, the progress note stated the client participated in a group session.

**Finding:** On May 5, 2011, clients CC02071494 and JN02010395 were billed for individual sessions, however, the progress notes stated the clients participated in group sessions.

**Corrective Action:** Contractor shall submit a corrected billing form to SAPC's Financial Services Division, attention, Mr. Robert Lucero, for three (3) individual counseling sessions @ \$86.99 totaling \$260.97.

**E. Contract: PH000454 E – PDCH**

For the months of May and June 2011, no services have been performed or billed under this contract.

## COMMENTARY – MAJOR FINDING(S)

*Please note that some of the findings listed under this section are subject to recoupment from the State, as outlined in Title 22, Section 51341.1 (m) (1) through (7).*

During the investigation, the auditor was informed by a SAPC Financial Services Division representative that BLWC and Blessed Drug and Alcohol Treatment and Research Program (BDATRP) billed the same client during the months of January, February, and March 2011. The auditor reviewed and made copies of the client's chart at BLWC and at BDATRP. The client was billed under the ODF contract for BLWC, and the DCH contract at BDATRP.

The client was reported to have received services at both agencies on the same dates during the months of January, February, and March, 2011. For the month of January, both agencies billed on January 10, 11, 12, 13, 18, 19, 20, 24, 25, 26, 27, and 31, 2011. For the month of February, both agencies billed on February 1, 2, 3, 7, 8, 10, 14, 15, 16, 17, 21, 22, 23, 24, and 28, 2011. For the month of March, both agencies billed on March 1, 2, 3, 7, 8, 9, 10, 14, 15, 16, 17, 21, 22, 23, 24, 28, 29, 30, and 31.

During the course of the investigation the auditor was contacted by the client at the urging of BDATRP. During a phone interview on July 22, 2011, the client stated that he was referred to BDATRP by his probation officer and completed the program as directed. The client also stated that no services were ever received at BLWC and the only other agency ever visited was Family Source Center to complete community service as ordered by the court in September 2010.

The following deficiency was noted:

1. **Requirement:** In accordance with your Additional Provisions, Paragraph 49 (C), entitled, Contractor Responsibility and Debarment, which states, "County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity."

**Finding:** Client was billed for ODF treatment services, at BLWC, for the months of January (12 group units), February (15 group units), and March (19 group units), while actually receiving services at BDATRP for the same dates and times.

**Corrective Action:** Contractor shall not document the delivery of a specific service identified in the agreement as having happened when the client is not a participant and physically present to participate in the program. **Contractor shall submit a corrected**

**billing form to SAPC's Financial Services Division, attention, Mr. Robert Lucero, for the forty-six (46) group counseling sessions billed during the months of January, February, and March @ \$25.82 for a total of \$1187.72 .**

#### **TOTAL OF ALL MONETARY DISALLOWANCES**

- A. Total Monetary Disallowances for Contract PH000454 A Residential: \$2,073.93.
- B. Total Monetary Disallowances for Contract PH000454 B (ODF): \$86.60.
- C. Total Monetary Disallowances for Contract PH000454 C (DCH): \$182.41
- D. Total Monetary Disallowances for Contract PH000454 D (PODF): \$260.97.
- E. Total Monetary Disallowances for Commentary/Major Findings: \$1187.72.

**Total of Monetary Disallowances for Contract(s) PH000454 (A-D): \$3,791.63**

#### **TECHNICAL ASSISTANCE**

An Exit Conference was conducted on July 20, 2011, with Bernadine Goudeau , Executive Director, Sheila Goudeau, Program Director, Myshal'e T. Oliver, Contract Program Auditor, and Maria Escamilla, Contract Program Auditor. Technical assistance was provided in programmatic areas where appropriate.

#### **CONCLUSION**

The substantiation of all the accusations, and the serious findings regarding those claims, demonstrates a clear and distinct pattern of billing irregularities that lead one to question the validity and reliability of all billing claims made by this Agency. The facts uncovered indicate the possibility of substantial and deliberate deception regarding the quality and quantity of services reported to SAPC and reimbursed under this contractual agreement.

Based on all the above facts, it is recommended that the Contractual Agreement between the County of Los Angeles and Bernie's Lil Women Center be terminated and that a pending augmentation requested by the Agency be denied.